Demand for Privatisation of Coal Mines

469. SHRI RAMDAS AGARWAL: Will the Minister of COAL be pleased to state:

(a) whether Government have decided to consider the demand for privatisation of coal mines and declaration of coal sector as an infrastructure sector so that industry could avail tax-concessions;

(b) if so, by when legislation in this regard is likely to be brought forward before Parliament; and

(c) what was the coal production this year as compared to last year in coal mines of Coal India Ltd., Singareni Collieries and Neyveli Lignite Companies and the amount of investment made by Government so far during the said period, area-wise?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) No, Sir. There is no proposal for privatisation of the coal sector. However, in order to enable greater investments in the coal sector, the Government are considering appropriate amendments in the Coal Mines (Nationalisation) Act, 1973 to enable any Indian company to mine coal. While not treating coal as infrastructure sector, the Government has a proposal to extend the benefits of tax concessions for coal sector as is applicable for the infrastructure sector.

(b) The Government have not yet decided when the Bill to amend the Coal Mines (Nationalisation) Act, 1973 will be introduced in Parliament. Discussions with the Unions have been initiated in order to address their concern before this Bill is introduced.

(c) Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL) are mining coal whereas Neyveli Lignite Corporation (NLC) mine lignite. Coal Production and investment made this year (upto October) compared to the last year in respect of CIL and SCCL is as under:—

Company	Production (in M.T.)		Investment (Rs. crores)	
	1996-97	1997-98 (upto Oct.)	1996-97	1997-98 (upto Oct.)
CIL	250.62	134.35	1530.45	1042.57
SCCL	28.73	13.99	250.00	89.77

Additional Coal Production in Ninth Plan

470. DR. MANMOHAN SINGH: Will the Minister of COAL be pleased to state:

(a) what is the target for additional coal production in the Ninth Plan;

(b) have the relevant projects been identified, if so, the details thereof;

(c) what is the estimate of additional investment in this sector; and

(d) how are the needed resources sought to be mobilised?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) Ninth Five Year Plan is yet to be finalised. However as against the actual coal production of 285.67 million tonnes in the terminal year of 8th Five year Plan (1996-97), Working Group on coal and lignite for formulation of 9th Five year Plan has projected production of coal at 359.60 million tonnes in the terminal year of 9th Five year Plan (2001-02). Thus additional coal production would be 73.93 million tonnes.

(b) Yes, Sir. Targetted production of coal will come from the following sources.

	Coal India Limited (CIL) (million tonnes)	Singareni Collieries Company Limited (SCCL) (million tonnes)
Existing mine	31.64	4.146
Completed Projects	118.57	19.155
On going projects	108.08	8.372
New Projects	44.71	4.327
TOTAL:	303.00	36.000

Besides the production of 339 mt. from the Public Sector Undertakings, 7.6 million tonnes of production is expected from TISCO/IISCO and DVC. In addition to these, 13 million tonnes of prediction is also expected from the other coal mining blocks given for captive use.

(c) Estimate of total investment for the 9th Five Year Plan period in the two Public Sector Coal companies producing coal, as assessed by the Working Group on Coal and Lignite is given below:—

(Rs. in crores)

CIL	13700.00
SCCL	3196.00

(d) As per the recommendations of Working Group on coal and lignite for formulation of 9th Five Year Plan, required investment is sought to be mobilised from the following sources.

(Rs. in crores)

	CIL	SCCL
Internal Resources IBRD	6031	—
Loan	3372	NIL
Market Borrowing (External commercial borrowing)	4297	NIL
Budgetary Support/ Loan	NIL	2461
Equity from Govt. of Andhra Pradesh	NIL,	375
Equity from Govt. of India	NIL	360
	13,700	3196

The projections of production, investments and financing pattern envisaged by the Working Group on coal and lignite for 9th Five Year Plan, are subject to finalisation of the 9th Five year Plan.

Plan expenditure by coal industry

471. SHRI YERRA NARAYANA-SWAMY: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that plan expenditure by Coal Industry is only 14 to 30 percent of the target in the first six months of this fiscal year;

(b) if so, the reasons for this delay in sanctioned expenditure;

(c) whether it is a fact that coal mines have sought unwanted funds without basis;

(d) whether unnecessary equipment and machinery will be bought by coal mines; and

(c) steps proposed to prevent forced purchases of machinery by coal mines?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) Capital expenditure in the coal sector during the first 6 months of the year 1997-98 was Rs. 773.21 crores against the approved plan outlay of Rs. 3392.34 crores for 1997-98.